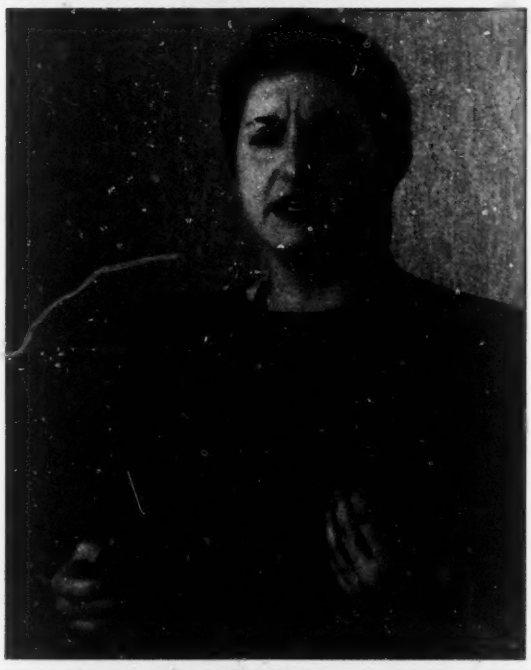
C5150-7

Second annual Value Study
Trade restrictions: The uncertain future

Chain Store Age

GENERAL MERCHANDISE TRENDS MARCH 1986

The emerging FEMALE CE customer



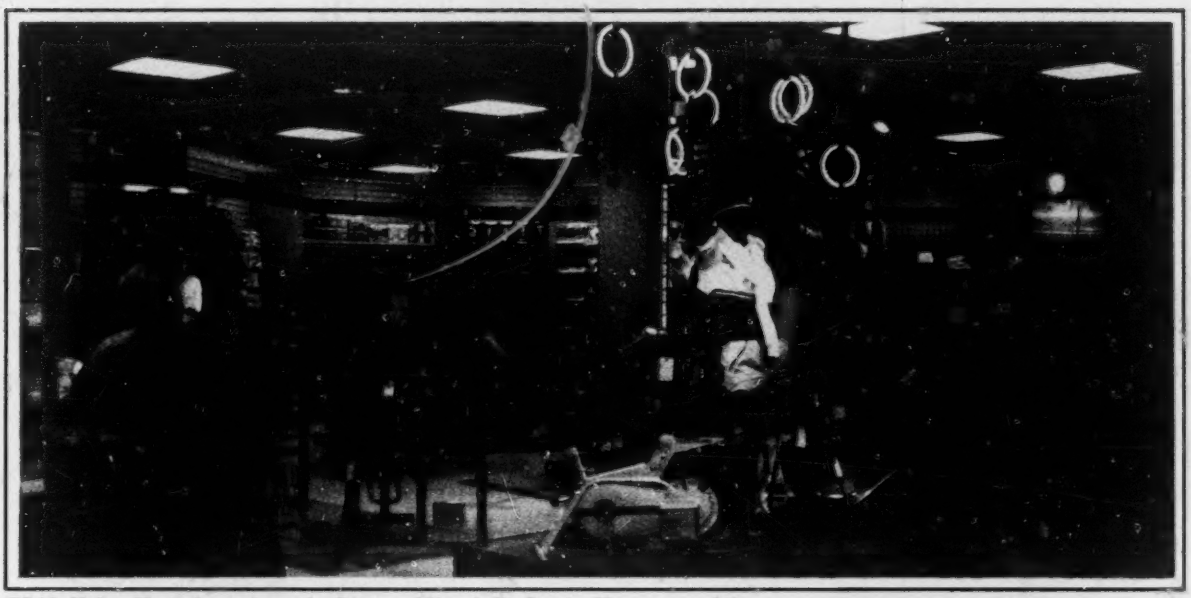
"When I look at an audio system I get as excited by all the lights and bells and whistles as a male buyer does."

Monica Dudek, buyer The Broadway Southern California

TWO DOLLARS PER ISSUE

CONTENTS

March 1986



CSA's Value II study reviews the Boston, Miami, St. Louis, Houston and Denver markets *9*

CSA Value II Study

What attracts shoppers to a retailer? Dominance 9
Dept. stores score on price signs 18

Consumer Electronics

The emerging female CE buyer 21
A new market with a feminine profile 23
MarkeTrends: VCR's, typewriters, telephones 24

Housewares

Pfaltzgraff's changing retail patterns 31
Will Supra stick in cookware 32
MarkeTrend's: microwaves, cookware, coffeemakers 36

Home Textiles

Trade restrictions: This year will see no winners 41
Sheets: Discounters march toward 180's 43
MarkeTrends: blankets, towels, pillows 45

Licensing

Licensed stationery: Just "adequate" 49

Photo

Court win helps Polaroid upscale 55
MarkeTrends: Autofocus: good getting better 58

Stationery

New arrivals at the party 61

Furniture

Furniture profits from audio boom 62

Classified Mart 64

CE's new female customer *21*

CHAIN STORE AGE General Merchandise Trends (ISSN 0885-050X) is published monthly by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Retailers: $12 a year; three years, $32. Wholesalers, manufacturers, schools, libraries and all others: $20 a year. Foreign subscriptions: Airmail only, $100 a year. Single copy rate $2. Second Class postage paid at New York, N.Y., and at additional mailing offices. Vol. 62, No. 3.

Copyright © 1986 by Lebhar-Friedman Inc. All rights reserved.

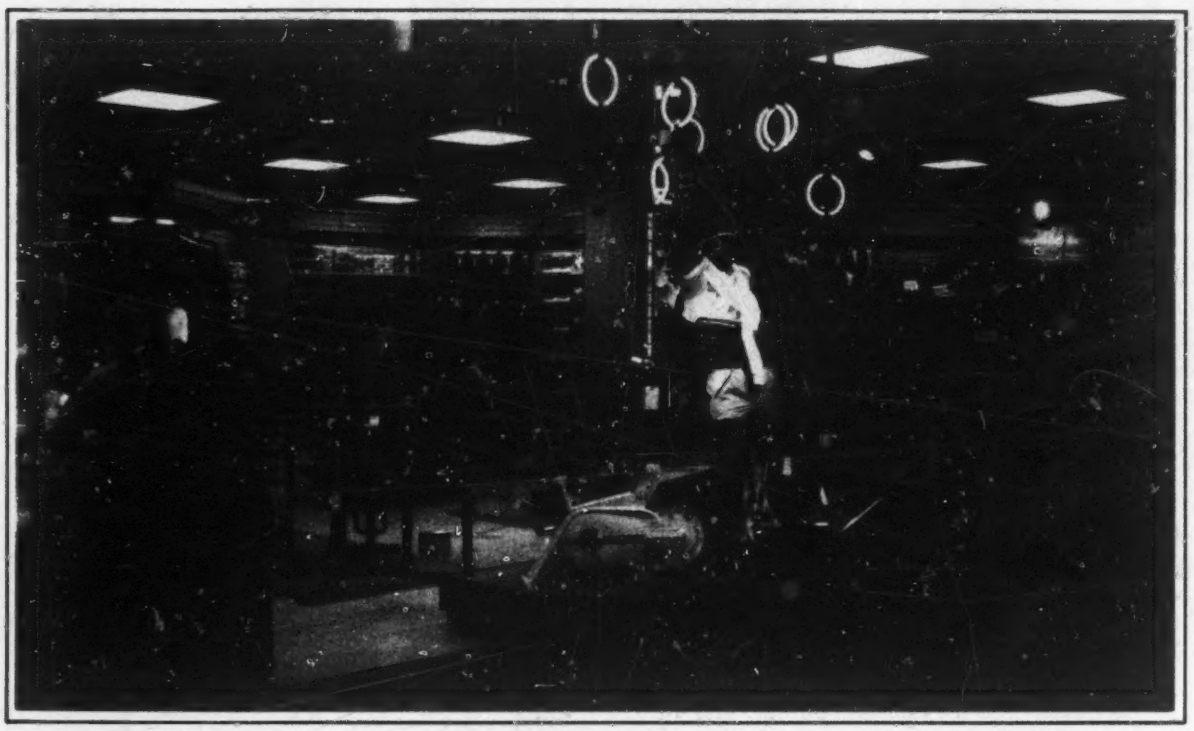
ALL CORRESPONDENCE should be addressed to Executive Offices, Chain Store Age General Merchandise Trends, 425 Park Ave., New York, N.Y. 10022. For a change of address, six weeks notice to Circulation Fulfillment Director, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079, is requested. Give old and new address and zip code. If possible enclose address portion from cover on previous issue. Postmaster: Please send address changes to *Chain Store Age*, General Merchandise Trends, Subscription Dept., 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. Member Audit Bureau of Circulations, Second Class Mail Publications Inc., and Magazine Publishers Association.

Copyright © 1986 by Lebhar-Friedman Inc.

WHAT ATTRACTS SHOPPERS TO A RETAILER?

DOMINANCE

CSA's second annual Value study finds that those retailers that have the most stores and greatest sales are judged by consumers to have the best value.



***Famous-Barr ranked highest** in most categories in the St. Louis area.*

To be dominant—either in store numbers, sales, or in merchandise offerings—is the goal of most retailers. And with good reason.

Results of the second annual *Chain Store Age* study of Value reveal that consumers are attracted to dominant retailers when picking those merchants they believe deliver the most value.

"Retailing is a psychological game played by the customer and the merchant around the question, 'Why should the customer buy from me?'" Stanley J. Goodman, retired chairman of May Dept. Stores, told the National Retail Merchants Association convention in January.

"The winners," said Goodman, "are the retailers who have positioned themselves in the customer's mind with the strongest reasons to come to them. The losers are the once whose customer appeal is weakening, whether they know it or not."

In the five markets *Chain Store Age* studied—Boston, Miami, St. Louis, Houston and Denver—the 1,011 households surveyed provided ample testimony to support Goodman's thesis. They zeroed in on the dominant stores in their markets. Their responses also raised doubts about the strengths of specialty stores and mail-order retailing.

Jordan Marsh, Burdines, Famous-Barr and Foley's captured the loyalty of their hometown fans. In a break with form, Denver residents gave the top prize to Minneapolis-based Target.

Target's "carpetbag" victory, however, should not raise too many eyebrows as it runs true to form. In the Denver market, Target's 10 stores pull in as many if not more sales than the leading department stores in the region.

Indeed, second place, as well, did not go to a Denver department store. J. C. Penney copped the honor. In the other markets, Sears finished second in Miami, Houston and St. Louis. Filene's took the silver medal in Boston.

***Specialty stores scored well** in furniture, sporting goods and toys.*

Methodology: *Chain Store Age* based the value ratings on random telephone surveys conducted by Leo J. Shapiro & Associates in December 1985. In each market some 200 households responded. Women comprised 59% of the sample.

Consumers judged retailers in two ways. First, they named a retailer who provided the best value for each of 14 attributes, such as good everyday prices, knowledgeable saleshelp, and for carrying the "fashions and looks I want."

Next, respondents chose the one store that delivered the best value for each of 14 merchandise departments, including consumer electronics, housewares and women's apparel.

For each attribute and merchandise department a ranking was given to every store named. The total for the 28 rankings determined the best of the field in each market.

Despite all the hoopla associated with specialty stores, the *CSA*/Shapiro Value II study affirms the viability of the full line general merchandise store, be it a department store, discounter or part of the Sears-Penney-Montgomery Ward group.

Department stores came out the No. 1 choice for women's and men's apparel. For children's clothing, consumers said the Big 3 and department stores purveyed the best value. Thus, specialty stores failed to win any of the key apparel departments.

Specialty stores dominated several hard lines areas, notably toys (mainly on the strength of Toys "R" Us), sporting goods and furniture. They trailed considerably in housewares, home textiles, home furnishings and cosmetics, while recording only a negligible margin of support in stationery, photo/camera and consumer electronics.

Discount stores were said to have the best value for small electric appliances and stationery products. Department stores, according to consumers, delivered the best value for nonelectric housewares, home textiles and cosmetics. The Big 3's home furnishings drew the most favorable mentions.

When asked to pick the best stores by attributes, hardly anyone named a specialty store.

Shopping patterns: The vulnerability of apparel specialty stores can be seen when comparing the per cent of shoppers who visited the retail format during the last two years. Only 38% of the 1,011 households shopped in apparel specialists last year vs. 42.6% who responded to a similar question a year ago when *CSA*/Shapiro polled 1,008 households in Philadelphia, Chicago, Atlanta, Dallas and Los Angeles.

Off-pricers hurt by lower shopper frequency

(% shopped during last year)

	1985	1986
Department stores	97.9%	97.1%
All discount stores	80.1	77.9
Sears	79.2	77.7
K mart	74.7	69.8
Penney	68.7	60.9
Variety stores	58.3	55.4
Mail order	41.4	41.0
Flea markets	36.0	38.4
Specialty apparel stores	42.6	38.0
Catalog showrooms	42.4	37.8
Montgomery Ward	39.8	35.8
Off-price stores	44.1	35.6
Factory outlets	44.5	35.0

Source: *Chain Store Age*/Leo J. Shapiro & Associates

Moreover, those 38% who shopped the specialists reported a basically flat pattern of store visits, neither increasing nor decreasing their trips to specialty stores.

Though mail-order retailing is estimated at anywhere between $70 billion and $100 billion a year and growing rapidly, the *CSA*/Shapiro Value II study gives reason to ponder its continuing upward potential. Dollar growth appears to be coming from greater usage of mail order by consumers already predisposed to that form of retailing rather than by market extension.

Forty-one per cent of those surveyed in the current study reported they shopped by mail, a sum identical to last year's study. However, when the current 41% conveyed their mail-order habits, 39% said they were shopping by mail more often than a year ago; 31% said they relied less often on the mail.

That same pattern of fewer overall shoppers but more committed core customers showed up for off-price stores, factory outlets, K mart and other discount stores and variety stores.

Survey results corroborate the tough year the off-price factory outlet industry had in 1985. Off-price stores suffered an 8.5% customer erosion, while 7.5% fewer households said they visited factory outlets last year compared to a year ago.

Again reflecting the reality of the marketplace, consumer patronage of Penney dropped by 7.5%. K mart's fell by nearly 5%. Trips to Sears remained basically constant, but the nation's largest retailer had other reasons to despair.

Falling Sears: Nearly 8 out of 10 households (77.7%) said they shopped in Sears during the last year. But 27.7% of that group said they reduced their shopping at Sears while 24.1% said they increased it.

A year ago Sears received its best score for its return policy, an attribute Sears highlighted with a dramatic television commercial entitled "Falling tools." Despite the ad, the five city rating for Sears' return

In Houston, which store has . . . ?

	Sears	Penney	Ward	Foley's	Joske's	Macy's	K mart	Target	Wal-Mart	Service Merchandise	Best	Mervyn's
Stores in Market	8	8	6	12	11	3	18	15	12	8	7	4
Best value for money	19.3	5.0	5.4	20.8	2.0	3.0	6.9	5.9	3.5	0.5	—	2.5
Good service	17.3	3.0	4.5	24.3	3.5	4.5	2.5	1.5	1.0	0.5	—	2.5
Knowledgeable saleshelp	17.3	4.0	3.0	22.8	4.0	4.5	1.0	1.0	1.0	—	—	2.6
Always find what I want	18.2	2.5	2.5	31.2	3.5	3.5	2.5	5.4	4.0	1.0	—	—
Good everyday prices	22.3	5.4	3.5	17.3	1.0	1.0	9.4	5.9	8.4	—	—	2.5
Big selection	22.3	3.5	4.0	32.2	3.0	4.5	3.5	5.0	4.5	0.5	0.5	1.5
Best return policy	21.3	3.0	2.0	22.8	1.0	3.0	4.0	5.0	4.0	0.5	—	1.5
Easy to get to	15.8	3.5	4.5	21.3	2.5	2.0	6.9	5.0	5.0	1.0	—	2.5
Good advertising	16.3	2.0	4.0	30.7	4.0	4.5	5.4	6.4	3.5	1.5	—	1.5
Great sales	17.3	3.0	5.9	20.3	4.0	4.5	4.5	5.9	4.5	0.5	—	3.0
Most enjoyable shopping experience	15.3	6.9	2.5	29.7	5.0	9.4	2.5	3.5	2.0	—	—	1.5
Fashions and look I want	7.9	5.0	3.0	32.2	5.9	5.4	1.5	0.5	2.0	0.5	—	2.5
Quality merchandise	15.8	6.9	3.0	31.7	6.4	4.0	1.5	1.0	2.0	—	—	1.5
Easy checkout	14.4	2.0	3.5	25.2	3.5	3.5	4.5	3.0	4.0	0.5	—	2.5

Source: *Chain Store Age*/Leo J. Shapiro & Associates

In Houston, which store has the best value for . . . ?

	Sears	Penney	Ward	Foley's	Joske's	Macy's	K mart	Target	Wal-Mart	Service Merchandise	Best	Mervyn's
Stores in Market	8	8	6	12	11	3	18	15	12	8	7	4
Sporting goods	14.4	1.0	5.9	6.4	1.5	1.0	4.5	2.0	4.0	3.5	—	—
Stationery	5.4	2.5	2.0	12.9	2.5	0.5	8.4	7.4	3.5	0.5	—	—
Men's wear	12.4	6.4	4.5	23.8	6.4	3.5	1.5	0.5	1.5	—	—	1.5
Cosmetics	3.0	—	3.5	36.1	0.5	3.5	4.0	5.4	2.0	0.5	—	—
Home Textiles	19.8	5.4	5.4	22.8	5.4	3.5	5.0	6.9	4.5	1.0	—	—
Small electric housewares	21.8	2.0	4.5	10.9	1.0	1.5	8.4	14.4	4.0	6.4	4.0	—
Nonelectric housewares	19.3	2.5	5.0	15.8	4.0	3.0	7.9	13.4	4.5	5.0	3.5	1.0
Children's wear	20.3	6.4	5.9	15.3	1.0	0.5	4.0	3.5	2.0	—	—	3.0
Photo/Camera	7.4	1.5	6.4	11.9	1.0	1.0	4.5	5.9	1.0	7.0	4.5	—
Furniture	11.4	3.0	6.4	15.3	4.0	1.0	0.5	0.5	1.0	—	—	—
Home furnishings	16.8	5.4	9.4	16.8	2.0	1.0	4.5	5.4	1.0	2.0	1.0	—
Women's wear	6.9	5.0	4.5	27.7	4.0	6.4	2.0	0.5	1.0	—	—	1.5
Consumer Electronics	14.4	2.5	5.4	15.3	1.5	2.0	1.5	3.0	1.5	3.0	3.5	—
Toys	7.9	4.0	4.5	3.0	0.5	—	6.4	7.9	2.5	3.0	0.5	1.5

Source: *Chain Store Age*/Leo J. Shapiro & Associates

policy fell 4% to 17%.

Perhaps the advertising has not been as effective as Sears would like. Overall ratings of Sears' advertising value tumbled 3%, while most of the attributes Sears hoped to highlight in last year's ad campaign—wide selection, enjoyable shopping experience, fashion and quality merchandise—failed to receive higher scores year to year.

Men continue to be the prime believers in Sears. One out of every 4 males rate Sears best for having a big selection, but only 14% of female shoppers do. Seventeen per cent of the males surveyed like the quality of Sears merchandise and always find what they want compared to 11% of females.

Twice as many men as women think Sears runs great sales. A similar ratio of men to women find Sears an enjoyable place to shop.

Perhaps the most graphic illustration of Sears as a men's store is the fact that 15% of the men find it convenient to get to but just 10% of the women do.

On a positive note, Sears displayed greater appeal to those under 35 in the key areas of selection, return policy, always finding what is wanted and saleshelp. But it lagged in carrying the fashion and looks consumers want.

The under 35 group found Sears' women clothing less of a value. But they liked children's wear, home furnishings, consumer electronics and photo/camera departments.

Another potential trouble spot:

In Boston, which store has . . . ?

	Sears	Jordan Marsh	Filene's	Bloomingdale's	K mart	Bradlees	Caldor	Zayre	Lechmere	Marshalls	T. J. Maxx	Service Merchandise
Stores in Market	9	14	10	2	10	21	14	27	8	16	8	6
Best value for money	10.6	13.6	12.6	1.0	1.5	11.1	2.0	3.5	2.0	8.6	1.5	2.0
Good service	11.1	11.5	13.6	3.0	0.5	5.6	1.5	2.5	2.0	4.0	0.5	1.5
Knowledgeable saleshelp	10.1	14.1	16.2	2.5	—	4.0	2.0	1.5	2.5	2.0	—	0.5
Always find what I want	9.6	18.7	11.6	1.5	1.5	10.6	1.0	3.5	2.0	3.0	0.5	0.5
Good everyday prices	10.1	8.6	12.1	0.5	3.0	17.2	2.0	6.1	3.0	7.1	2.0	1.0
Big selection	18.7	21.2	13.6	1.0	1.5	11.6	1.0	1.5	2.5	5.6	0.5	1.0
Best return policy	12.6	14.1	13.1	1.0	1.0	9.1	1.0	3.0	3.5	6.1	1.5	0.5
Easy to get to	10.1	14.6	16.2	2.0	1.5	11.1	2.0	2.5	2.0	5.1	2.5	1.0
Good advertising	9.1	18.2	17.2	1.5	1.0	14.1	1.5	3.5	1.5	4.0	0.5	1.0
Great sales	12.1	8.6	16.2	—	0.5	13.6	1.5	4.0	2.0	5.1	1.0	0.5
Most enjoyable shopping experience	6.6	12.1	14.1	5.1	1.0	7.6	—	2.0	2.5	3.5	1.5	0.5
Fashions and look I want	4.5	16.2	16.2	5.6	0.5	4.0	0.5	0.5	—	2.5	1.5	—
Quality merchandise	10.6	19.7	16.2	4.5	0.5	4.0	2.0	1.0	1.5	3.0	1.0	—
Easy checkout	9.6	13.1	9.6	4.0	1.5	9.6	2.0	6.6	1.5	5.1	0.5	—

Source: *Chain Store Age*/Leo J. Shapiro & Associates

In Boston, which store has the best value for . . . ?

	Sears	Jordan Marsh	Filene's	Bloomingdale's	K mart	Bradlees	Caldor	Zayre	Lechmere	Marshalls	T. J. Maxx	Service Merchandise
Stores in Market	9	14	10	2	10	21	14	27	8	16	8	6
Sporting goods	7.1	6.1	1.0	—	1.5	2.5	2.5	0.5	6.6	0.5	—	0.5
Stationery	5.1	6.6	7.1	2.0	1.0	6.6	1.0	2.0	1.0	—	—	—
Men's wear	7.1	19.7	17.2	—	1.0	6.1	—	1.5	—	2.0	2.5	—
Cosmetics	3.0	16.1	16.7	2.0	1.0	4.1	—	1.0	—	3.5	—	—
Home Textiles	10.1	19.7	11.6	5.6	1.5	12.6	2.0	2.0	0.5	4.0	1.5	0.5
Small electric housewares	12.6	8.1	4.0	4.5	2.5	18.2	2.5	2.5	28.3	—	—	4.0
Nonelectric housewares	9.1	18.7	7.1	4.5	1.0	15.2	0.5	2.5	15.2	0.5	—	1.0
Children's wear	12.1	8.1	12.1	1.0	0.5	7.6	2.5	2.0	—	4.0	—	—
Photo/Camera	6.6	4.5	1.5	0.5	1.5	1.5	2.5	1.5	19.7	—	—	3.0
Furniture	8.1	11.1	1.0	2.0	—	—	—	8.0	8.0	—	—	—
Home furnishings	18.7	17.7	4.0	4.5	2.0	7.1	0.5	1.0	3.0	1.0	—	—
Women's wear	5.1	18.7	17.7	2.0	0.5	3.0	2.0	1.0	—	4.0	2.5	—
Consumer Electronics	12.1	7.6	1.0	0.5	0.5	4.0	1.0	1.0	25.3	—	—	2.5
Toys	5.1	3.0	1.0	—	2.0	2.1	2.0	2.0	2.0	—	—	0.5

Source: *Chain Store Age*/Leo J. Shapiro & Associates

Sears appealed more to those with incomes under $30,000.

A year ago Sears finished first in three of the five markets studied—Dallas, Los Angeles and Chicago. It came in second in Philadelphia and Atlanta.

This past year appears to have been a disappointing one for Sears, not only in sales and earnings but also in the way customers perceive it. In every merchandise department, Sears scored lower with this year's respondents. It dropped noticeably in men's and children's wear, home textiles, consumer electronics, housewares and sporting goods.

Nevertheless, Sears retained enough strength to finish second in three markets.

Troubled Target: Target's three market performance was a mixed bag. In Denver, where its 10 stores make it the dominant retailer of any type, it prompted impressive responses. It came in first for seven of 14 attributes, including good everyday prices, best return policy and great sales.

In six of 14 merchandise areas—toys, photo/camera, electric and nonelectric housewares, sporting goods and stationery—Denver residents judged Target best.

In Houston, Target ran up

against one solid department store, Foley's, instead of the fragmented loyalty fostered by Denver department stores. Target's 15 stores also found the discount competition fiercer from K mart's 18 Houston stores than from K mart's 15 in Denver. In Houston, Target could manage just a photofinish victory over K mart.

Notable in Houston was the favorable rating achieved by Wal-Mart. With 12 stores in the market, and just two in Houston proper, Wal-Mart secured considerable notice. Its everyday low prices received the most recognition.

St. Louis proved to be a market where the local retailer was the clear favorite. Famous-Barr was the class of the field, while its discount sister, Venture, came in a close third behind Sears.

Target was most disappointing in St. Louis. Though its 10 stores were the fewest of any major discount store chain, they were nearly comparable to Venture's 13. Yet, while Venture topped the discount field, Target was bested quite handily by K mart and Wal-Mart.

Looking at Target's scores in St. Louis and Houston, cities where it had the most competition, several soft spots come into focus.

First is the failure to win consumer confidence in its apparel programs. In both cities K mart and Wal-Mart, plus Venture, had better apparel scores.

In hard lines, sporting goods, consumer electronics and stationery need beefing up, too.

As for attributes, Target may have to concentrate more on service, everyday prices, quality merchandise and the checkout process. Even in Denver consumers gave Target low comparative marks for service and for quality.

New names: The fidelity to the dominant hometown retailer came through in market after market. Ratings dropped perceptively, usu-

In St. Louis, which store has . . . ?

	Sears	Penney	Famous-Barr	Dillard's	K mart	Target	Venture	Wal-Mart	Dolgin's
Stores in Market	4	8	13	9	20	10	13	17	5
Best value for money	11.7	11.2	18.4	8.3	8.7	6.8	8.3	7.3	—
Good service	10.4	10.2	21.8	9.7	3.9	3.4	6.3	3.4	—
Knowledgeable saleshelp	15.0	5.8	20.9	8.3	4.4	2.4	6.8	2.9	—
Always find what I want	13.6	8.8	19.9	8.3	7.3	3.9	11.2	4.4	—
Good everyday prices	10.2	8.3	13.6	4.4	12.6	6.3	16.0	9.7	—
Big selection	18.0	8.7	28.6	8.3	8.7	3.4	9.7	3.9	0.5
Best return policy	15.0	7.8	19.4	5.8	9.7	2.9	10.7	5.8	—
Easy to get to	8.2	5.8	21.4	8.3	13.0	1.5	13.6	6.3	—
Good advertising	11.7	5.3	24.3	5.8	10.2	3.9	17.0	2.4	0.5
Great sales	7.3	5.3	25.2	7.3	11.7	5.3	15.5	6.3	—
Most enjoyable shopping experience	10.7	6.8	27.2	11.7	5.3	3.9	7.3	4.4	—
Fashions and look I want	6.8	10.7	20.6	10.2	3.9	1.5	2.9	1.9	—
Quality merchandise	12.1	11.2	32.0	13.1	2.9	1.5	4.4	3.4	1.5
Easy checkout	11.2	7.8	18.4	9.7	6.8	3.4	8.7	7.3	—

Source: *Chain Store Age*/Leo J. Shapiro & Associates

In St. Louis, which store has the best value for . . .?

	Sears	Penney	Famous-Barr	Dillard's	K mart	Target	Venture	Wal-Mart	Dolgin's
Stores in Market	4	8	13	9	20	10	13	17	5
Sporting goods	14.6	3.4	4.4	2.0	10.7	5.3	11.7	3.4	0.5
Stationery	4.4	3.4	10.7	3.4	11.7	7.8	9.2	4.4	1.5
Men's wear	10.7	9.7	29.1	4.9	5.8	1.5	5.3	1.9	—
Women's wear	7.8	7.8	27.6	6.8	5.8	2.4	11.7	2.4	—
Home Textiles	10.7	15.5	22.8	5.4	10.2	6.3	11.2	2.9	1.5
Small electric housewares	11.2	1.9	8.3	1.9	23.1	1.9	19.9	1.9	2.1
Nonelectric housewares	8.3	3.9	21.4	4.4	9.7	6.8	15.5	3.9	7.3
Appliances & TVs	13.6	12.1	14.1	2.4	11.6	1.5	11.6	2.4	—
Photo/Camera	9.2	3.4	11.2	2.0	8.7	2.9	10.2	3.4	6.8
Jewelry	11.2	4.9	16.5	4.4	7.3	—	7.3	1.4	1.5
Home furnishings	18.4	8.7	20.4	4.4	6.8	4.9	6.8	1.5	1.9
Furniture	7.3	4.2	21.1	4.7	3.9	0.5	4.4	1.9	—
Consumer Electronics	13.6	3.9	16.5	2.4	7.8	1.9	6.3	1.5	6.3
Toys	9.7	4.4	7.8	4.9	11.7	7.3	13.1	2.4	2.1

Source: *Chain Store Age*/Leo J. Shapiro & Associates

In Miami, which store has . . . ?

	Sears	Penney	Burdines	Jordan Marsh	Macy's	Bloomingdale's	K mart	Zayre	Marshalls	Service Merchandise	Best	Luria
Stores in Market	6	12	8	5	1	1	8	14	7	6	6	5
Best value for money	24.9	8.4	19.3	5.0	5.0	—	6.4	4.0	2.0	2.0	0.5	—
Good service	23.3	5.4	27.7	6.4	3.5	1.0	3.0	3.5	0.5	1.0	0.5	—
Knowledgeable saleshelp	15.8	5.4	19.8	7.4	3.0	2.0	2.0	4.0	—	1.0	0.5	0.5
Always find what I want	20.3	5.4	23.3	5.9	4.5	—	4.5	3.5	1.0	0.5	0.5	—
Good everyday prices	16.8	12.9	15.8	4.0	4.5	—	12.4	7.4	3.5	3.5	—	1.5
Big selection	21.3	7.4	25.2	6.9	9.4	2.5	5.4	3.0	—	2.0	0.5	0.5
Best return policy	24.3	4.5	25.7	4.5	3.5	0.5	4.0	3.5	—	1.0	0.5	0.5
Easy to go to	14.9	3.5	25.2	5.9	4.5	0.5	7.9	9.9	—	0.5	0.5	0.5
Good advertising	16.3	3.5	23.7	6.9	7.9	0.5	4.0	9.4	—	0.5	—	0.5
Great sales	12.4	6.4	20.3	5.0	5.9	2.0	7.9	10.9	1.5	0.5	—	—
Most enjoyable shopping experience	13.4	4.0	27.7	6.9	7.4	3.0	5.9	2.5	—	—	—	0.5
Fashions and look I want	8.4	4.0	23.7	8.4	5.0	3.0	2.5	1.0	—	—	—	—
Quality merchandise	19.8	5.0	30.2	5.9	5.4	3.0	2.5	3.0	—	—	1.0	0.5
Easy checkout	18.3	7.4	25.2	7.4	3.5	—	4.5	5.0	—	2.0	0.5	—

Source: *Chain Store Age*/Leo J. Shapiro & Associates

In Miami, which store has the best value for . . . ?

	Sears	Penney	Burdines	Jordan Marsh	Macy's	Bloomingdale's	K mart	Zayre	Marshalls	Service Merchandise	Best	Luria
Stores in Market	6	12	8	5	1	1	8	14	7	6	6	5
Sporting goods	22.3	5.4	8.4	2.0	2.0	0.5	7.4	1.5	1.0	1.5	1.5	0.5
Stationery	7.9	3.0	14.9	2.5	1.0	0.5	7.9	7.9	—	—	—	—
Men's wear	12.9	6.4	30.7	9.4	4.0	1.0	3.5	1.5	1.5	—	—	—
Cosmetics	3.0	1.5	37.6	4.5	4.0	1.0	2.5	2.0	—	—	—	—
Home Textiles	19.3	9.4	24.3	4.0	5.0	0.5	4.0	5.0	0.5	—	—	—
Small electric housewares	28.7	4.5	18.4	1.5	4.0	—	5.9	8.4	—	7.9	4.5	7.4
Nonelectric housewares	29.8	5.0	18.3	1.5	5.0	0.5	9.4	8.9	—	3.0	2.5	4.5
Children's wear	18.3	6.9	18.8	2.0	1.5	0.5	5.0	6.4	1.0	—	—	—
Photo/Camera	13.4	3.0	13.4	0.5	1.0	—	5.4	2.0	—	3.5	2.0	3.5
Furniture	12.4	5.4	13.4	3.5	2.0	1.0	1.0	1.5	—	0.5	—	—
Home furnishings	18.3	5.4	14.9	3.0	2.0	1.5	4.5	4.5	—	3.5	1.5	1.5
Women's wear	5.9	4.5	25.2	8.4	3.5	0.5	1.5	2.0	3.0	—	—	—
Consumer Electronics	17.8	3.5	13.9	—	3.5	—	3.5	1.0	—	5.4	1.5	1.5
Toys	8.9	5.0	2.5	1.0	1.0	—	4.5	3.0	—	1.5	0.5	—

Source: *Chain Store Age*/Leo J. Shapiro & Associates

ally after the first two mentioned retailers.

Yet, the introduction of new names did spark interest. Macy's New York may only have one store in Miami and three in Houston, but the impact already is highly measurable. With just minimal representation Macy's drew more favorable value ratings than some long-standing, entrenched locals.

In Houston, for example, consumers said Macy's delivered better value attributes than Joske's 11 stores. Though Joske's held a 2:1 advantage in merchandise assessments, it came out second to Macy's in the key areas of women's wear and cosmetics.

Mervyn's, too, pulled in comparatively strong marks considering its four stores have been open just over a year.

In Miami, as it did in Houston, Macy's trailed Federated's local unit, but stacked up fairly well against the Allied Stores entry, Jordan Marsh. Housewares, textiles and consumer electronics received good scores, as did the total store for overall selection.

Bloomingdale's new store in Miami found the reception much

tougher than did Macy's. But RG. Branden's, Dayton Hudson's new home furnishings store in Miami, pulled in support. Its textiles were said to be the equal of Jordan Marsh's, nonelectric housewares were thought to be better than the department store's (3.5% vs. 1.5%).

Wholesale clubs, particularly Sam's in St. Louis and Houston, recorded support for their small electric housewares. Sam's one store in Houston drew more mentions than Penney's eight stores, Joske's 11, and Macy's three stores. The Sam's in St. Louis posted better small electrics ratings than did Penney, Dillard's and Service Merchandise.

Boston's picks: When evaluating retailers by attributes consumers could not select a winner. Jordan Marsh and Filene's received equal praise as best in the market.

But when judging merchandise, consumers gave the nod to Jordan Marsh, although Filene's did outpoint Jordan Marsh slightly in women's wear and had a wider margin in children's wear and cosmetics.

Though it could be argued that Filene's is not a full line store, as is Jordan Marsh, and thus could not win an overall competition, the fact that consumers found Jordan Marsh best in the market, demonstrates the viability of carrying more than just fashion items.

Bradlees swamped the discount competition. But even in defeat, Zayre had a worthy mention. Its easy checkout score reflected consumer recognition of its advertised program of never permitting more than three customers to wait in line at a register. □

In Denver, which store has . . . ?

	Sears	Penney	Ward	May D&F	Denver Dry Goods	Joslins	K mart	Target	Wal-Mart	LaBelle
Stores in Market	6	4	6	6	6	6	6	10	6	4
Best value for money	10.8	12.3	3.1	9.4	4.9	13.3	10.8	15.8	0.5	1.5
Good service	11.8	14.3	7.9	14.8	5.4	11.8	5.9	4.4	4.9	0.5
Knowledgeable saleshelp	3.9	9.9	6.9	14.8	10.3	11.3	1.5	3.9	0.5	—
Always find what I want	7.9	9.9	3.9	8.4	5.9	18.3	7.4	18.8	4.9	0.5
Good everyday prices	6.5	8.9	4.4	6.9	3.0	10.8	14.3	22.7	0.5	1.5
Big selection	16.3	12.8	3.4	18.7	6.9	18.3	6.9	12.8	—	1.0
Best return policy	11.8	11.8	5.4	9.9	6.9	5.4	5.4	17.2	0.5	—
Easy to get to	6.9	6.9	5.4	13.3	4.9	6.9	6.9	14.3	3.4	—
Good advertising	6.9	5.4	5.4	13.3	6.4	7.9	6.4	20.7	0.5	0.5
Great sales	6.9	7.4	7.4	11.8	6.9	12.8	6.4	17.7	4.9	0.5
Most enjoyable shopping experience	6.4	9.9	2.5	13.3	9.9	14.8	6.4	5.9	2.5	0.5
Fashions and look I want	6.4	7.4	3.0	17.2	11.3	16.3	7.9	1.5	1.5	—
Quality merchandise	10.8	10.8	3.9	21.2	18.2	10.8	2.5	3.4	0.5	—
Easy checkout	6.4	13.8	6.4	13.3	6.4	10.8	6.4	12.8	6.4	—

Source: *Chain Store Age*/Leo J. Shapiro & Associates

In Denver, which store has the best value for . . .?

	Sears	Penney	Ward	May D&F	Denver Dry Goods	Joslins	K mart	Target	Wal-Mart	LaBelle
Stores in Market	6	4	6	6	6	6	6	10	6	4
Sporting goods	6.4	3.0	3.4	6.5	2.0	6.5	4.9	10.8	0.5	0.5
Stationery	6.9	4.9	6.9	2.5	6.9	4.9	6.9	15.8	6.9	0.5
Men's wear	6.9	17.7	1.0	12.3	6.9	7.9	3.0	3.4	—	—
Cosmetics	6.9	4.9	6.9	6.9	6.9	4.9	6.9	6.9	6.9	—
Home Textiles	6.4	23.2	4.4	6.9	10.3	9.4	4.9	12.3	0.5	0.5
Small electric housewares	6.9	4.4	6.4	3.0	1.0	2.0	6.9	29.1	6.4	15.8
Nonelectric housewares	7.9	6.4	3.4	13.3	6.9	5.4	3.4	20.2	4.5	6.4
Children's wear	6.9	16.7	6.9	4.4	6.9	6.4	6.9	6.9	6.9	—
Photo/Camera	3.9	5.4	2.0	2.5	1.5	1.5	5.4	7.4	—	7.4
Furniture	6.9	7.4	6.4	2.0	6.9	1.5	6.9	6.5	6.9	—
Home furnishings	14.3	10.8	6.9	4.9	2.0	5.9	5.4	9.9	0.5	1.5
Women's wear	6.9	16.3	6.4	14.3	6.9	13.3	6.9	1.0	6.9	—
Consumer Electronics	10.8	5.4	6.4	4.4	0.5	2.0	2.5	10.3	—	7.4
Toys	6.9	4.4	6.9	1.0	6.9	1.5	6.9	24.5	6.9	4.4

Source: *Chain Store Age*/Leo J. Shapiro & Associates

Dept. stores score on price signs

It's easy to get customers into a store once. What helps keep them coming back? Clear price signing.

Sometimes, retailers can find too many ways to confuse shoppers. Overly intricate layouts, poorly signed departments and confusing own brand product labeling, all irritate customers and often send them out the front door.

Perhaps the worst thing a store can do to confuse its customers is not properly mark the prices of its goods. Price marking is an issue which consumers pay close attention to, according to the *CSA* Value study. The study shows that most shoppers note the way a retailer communicates its prices and appreciate those stores which do that job well.

Price tags, rack signs and ads are the best methods for clear pricing.

Only 14.8% of those surveyed could not name a store with a price signing program they preferred.

Department stores as a group apparently do the best job of communicating their prices to consumers, according to the study. More than 28% of those surveyed in five markets selected a department store. The three mass merchandisers, Sears, J. C. Penney and Montgomery Ward, gathered slightly more than 23% of the responses. That showing is due largely to the score Sears achieved—14.6% of those surveyed. Penney garnered 6.6% of the responses and Ward 1.9%.

What is perhaps most surprising is that discount stores, which rely so heavily on self-service, scored lower than department stores and only as well as the Big 3. Disc[illegible] stores are apparently not doi[illegible] good enough job of price sig[illegible] compensate for their smal[illegible]ls of sales help.

In just one market, St. Louis, did discount stores score demonstrably better than department stores. K mart led the way, with 14.1% saying it did the best job of communicating prices, while Venture scored 11.4%. Famous-Barr recorded 14.6% of mentions, but the Stix Baer Fuller stores operated by Dillard's achieved a score of just 6.9%.

In Denver, Target led the way with 13.8% of mentions. That proved nearly twice as high a score as the market's two major department stores—May D&F and Joslins. But the net score department stores achieved in Denver was higher than the net of discounters in that market because no other discounter scored nearly as well as Target.

Specialty stores and catalog showrooms scored the poorest in pricing signage, receiving not more than 5% of the votes as a group in each market.

Despite the high scores achieved by department stores, consumers want autonomy and self-service when it comes to finding out what an item costs. Only 5.6% of those who selected department stores as the places which best communicate prices, said that the store's salespeople are the main reason for their choice. Discount stores, ironically, scored slightly higher in this catego-

Shoppers rate stores on communicating prices

Why best	All stores	Sears	Penney	Discounters (net)	K mart	Dept. stores
Rack signs	[illegible]	8.8%	[illegible]	10.1%	[illegible]	17.8%
Good ads	13.4	15.5	7.5	23.7	24.1	13.4
Price tags	[illegible]	47.3	[illegible]	42.3	[illegible]	47.2
Salespeople	5.1	8.1	6.0	5.8	5.1	5.6
Label on shelf/rack	[illegible]	5.4	[illegible]	3.6	[illegible]	1.8
Prices easy to read/ large type	5.7	7.4	10.4	6.5	5.1	4.9
Have catalog	[illegible]	2.7	—	—	[illegible]	0.3
Easy to find prices	4.9	4.7	6.0	9.4	11.4	5.6
Other/not answering	[illegible]	13.5	[illegible]	10.8	[illegible]	15.7

Source: *Chain Store Age*/Leo J. Shapiro & Associate

ry, with 5.8% of those who selected discounters choosing sales help as the reason the store did a good job communicating prices.

The crucial medium for communicating prices, according to the survey, is the price tag. Nearly 40% named that medium. Sears, J. C. Penney, department stores and off-price stores all scored above the survey average in this area.

Two other media, rack signs and strong advertising, both finished second. Each was named by about 13% of the survey sample as the medium they best remembered at stores which do a good job of communicating prices.

Department stores scored well above the average for rack signing but only average on advertising which builds price awareness. Upscale discounters, however, garnered the most mentions on the use of signing on racks. Nearly 32% of those naming an upscale discounter as the place which best gives pricing information said that signs in the racks were the best medium used by these outlets.

Discount stores, not surprisingly, scored highest on advertising as a method of effectively communicating prices. Nearly 22% of those who preferred discount stores for pricing information said advertising was the most important factor. K mart scored particularly well in this area, gaining 24.1% of mentions, while upscale discounters garnered 18.8% of mentions for their advertising.

One medium which did not score particularly well was the practice of putting tags or labels on the shelf rack under an item. Only 2.6% of those who selected any store for the way it communicates pricing mentioned this as the most effective medium. Catalog showrooms were the only retailers who scored above 5% in this category. □

FOR YOUR PROFIT You Are Cordially Invited To Attend
the 44th transworld housewares & variety show
April 4-8, 1986 O'HARE EXPOSITION CENTER
CHICAGO/ROSEMONT, ILLINOIS
• Prices and general merchandise to increase your sales and profits!
• Exciting general merchandise traffic builders for every department!
• The greatest variety to be found anywhere!
• Build your 1986 sales and promotions with the hot, new profit making fast sellers only found at the Transworld Exhibits!
• This show is designed to make your 1986 more profitable!
• We have searched the entire world for new and fast selling lines for your selection!
The "Red Carpet" treatment is waiting for you.
Rosemont Convention Bureau — 9291 W. Bryn Mawr Ave., Rosemont, IL 60018
Galaxy Travel Services — 1 800/368-2207
SAVE TIME!
TRANSWORLD EXHIBITS INC.
1850 OAK ST., NORTHFIELD, IL 60093 312-446-8434 • 1-800-323-5462
The Biggest show of General Merchandise

dek says, "they make the customer a little more at ease with the product. It's like, 'If Mrs. Jones can sell me this product, then I can understand and use it.'"

In the end, it may simply be the entry of more women into consumer electronics retailing itself which will make the industry more responsive to women's needs.

"The possibilities are endless," says Schwartz. "Because electronics is such a young business in relative terms, the contributions that anyone can make are very well received—whether its from a man or a woman.

"What I've done is what anybody else could do if they wanted to," Schwartz adds. "I have not done anything extraordinary."

Making it: Yet each of these three women who are now changing the face of the Los Angeles home electronics market has accomplished something extrordinary. Not only have they made it in a male dominated field, but they are giving it a female profile.

Interestingly, none of the three views her own accomplishments as out of the ordinary. Dudek, for example, cites her move from buying furniture to buying electronics as the biggest prejudice she has had to hurdle.

"I was coming out of furniture," Dudek says. "To electronics people their attitude was 'Furniture? Those guys just play gin rummy all day.' That was my biggest hurdle." □

A new market with a feminine profile

***Women account for 55.1%** of consumers shopping for telephones.*

Myth, advertising strategies and merchandising plans to the contrary, the market for home electronics has taken on a distinctive feminine profile. According to *Chain Store Age*/Marke-Trends research, women purchase the majority of products in the $35 billion consumer electronics industry.

Women customers bought nearly 3 out of 5 of the portable headphone stereos last year (see chart). In addition, *CSA* estimates that women were responsible for more than half of all sales for boom boxes, telephones, blank video tape, typewriters, telephone answering devices and computer software.

Manufacturers have been quick to react to the change in the target customer, especially in small audio where fashion and color have become prominent themes for more than a year. However rapid their response to the emerging market, vendors still seem uncertain as to what other strategies might prove effective. As the ever expanding palatte in portable audio indicates, adding color looks like the only strategy manufacturers have thus far discovered.

If vendors are perplexed, retailers are notable in their near total lack of response in recognizing the female electronics customer. Major exceptions are Miami-based specialty chain Beyond Personal Electronics and Tandy's Radio Shack division.

Beyond is one of the few—if not the only—consumer electronics retailer which actually identifies its target customer as a woman. Through fashion merchandising and advertising in women's sections of newspapers, Beyond has reversed the traditional industry cited ratio and totals approximately 60% of its sales to women.

Radio Shack in the last five years has watched its sales to women rise from only 5% to nearly 35% this year. Up to 50% of its sales of telephones in 1985 were to women. Responding to the trend, Radio Shack changed merchandise presentations in all stores last year, and 800 units are due for new fixturing in 1986.

What Radio Shack has shunned, however, is the move to fashion and color, considering it contrary to its middle of the road merchandising philosophy. In reality, what Radio Shack is looking to avoid is the treachery of fashion buying and fashion product design.

If fashion remains the only strategy to attract female customers, buying electronics might become as risky as buying apparel, since not every popular fad can be easily predicted. Sears, for reasons not entirely clear to its merchandising staff, has discovered that it can sell boom boxes in only three colors: steel gray, black and red.

Women's electronics shopping list*

Portable headphone stereo	58.8%
Boom box	55.5
Telephone	55.1
Blank video tape	54.7
Typewriter	54.6
Telephone answering machine	52.0
Computer software	50.4
Television	50.0
Home computer	49.8
Stereo	46.7
Compact disc player	45.4
Video cassette recorder	44.4
Car stereo	41.5

*Per cent of each category's shoppers who are female
Source: *Chain Store Age*/Leo J. Shapiro & Associates

Shopper interest in VCRs levels off

Video cassette recorders have hit their first sales plateau. According to MarkeTrends research, the number of households which expect to buy a VCR in the next year has dropped 22% in the last two months. Consumer interest levels are running just about even with totals recorded a year ago.

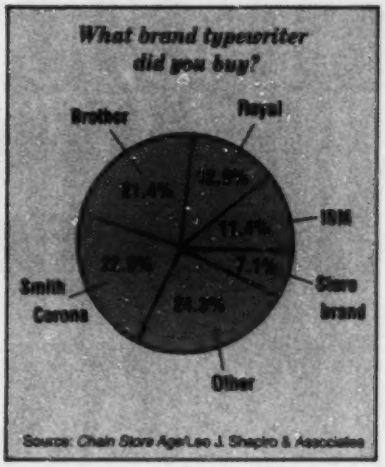
Still, the most recent study indicates that consumers have not yet lost their fascination with video products. For the last three months, consumers in the sample have expressed record high levels of interest in buying both blank video tape and televisions themselves.

However, the latest survey confirms that customers are registering growing levels of interest in buying audio categories this year. In the March poll, consumer intention to purchase a rack or component stereo system is 61% ahead of totals recorded a year ago. The 6.6% of households which say they expect to buy a stereo in the next 12 months is the highest level measured in five years of MarkeTrends polling.

Compact disc players, which many credit for higher interest in audio, continue on the upswing with a record 2.9% saying they expect to buy a CD player. □

Electronics key to typewriter return

***Sears holds the largest market share** in electronic typewriter sales.*



After years of sleepy unprofitability, typewriters are once again gaining the consumer's eye—electronics are generating the second look.

Only 40% of households in the latest MarkeTrends survey report that the last typewriter they bought was electronic. However, among those who expect to buy a typewriter this year, 52.4% say they intend to buy an electronic.

Though many retailers were not even in the typewriter business as recently as three years ago, general merchandisers are taking a commanding share of the estimated 2.6 million unit market in 1986.

Last year, the Big 3 mass merchants sold 25.3% of portables and compacts, according to the poll, followed by department stores (24.1%) and discount outlets (11.4%).

The biggest retail player in the reborn typewriter market is Sears. As part of its Store of the Future program, Sears moved typewriters into its electronics departments, and MarkeTrends polling reveals how well the move has paid off. With a 19% market share, Sears is the single largest typewriter retailer.

Among vendors, consumers in the MarkeTrends poll report buying Smith Corona with the greatest frequency (22.9%), followed by Brother (21.4%), Royal (12.9%) and IBM (11.4%). Another 7.1% of those surveyed report buying private label store brands.

On the average consumers expect to pay a median $200 for their new typewriter, exactly equal to what those who bought a typewriter last year say they paid. □

Discounters picking up telephones

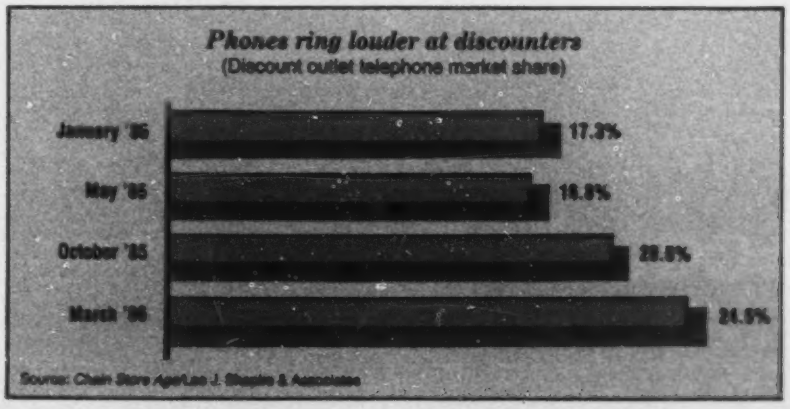
Amid the uncertainties of the telephone marketplace stands at least one fact: Discount stores are picking up market share. In the March MarkeTrends survey, 24.6% of households polled report buying their last phone at a discount outlet.

Discount stores are now the second outlet of choice, falling behind only telephone specialty stores which garner a 31.4% share, according to the study. The gain recorded for discount stores represents a 42% jump over the 14 month period.

Not surprisingly, as consumers shop discount stores with greater frequency, what they expect to pay for a telephone has dropped. In the most recent poll, those who intend to buy a phone in the next 12 months say they expect to pay a median $40. This compares to the $50 they expected to pay in the May 1985 survey.

Consumers in the MarkeTrends study report buying AT&T telephones with the greatest frequency. About half (51.1%) say the last phone they bought was from AT&T. Following in market share are G.E. (8.5%), store brands (5.7%), Cobra (5.1%) and Conair (5.1%).

Given its broad distribution and the consumer's penchant for buying from AT&T, convenience of location takes on greater importance in determining where consumers shop for telephones. Consumers in the current study rank location as more important than even quality in choosing where they will buy a phone. □



Beta share drops 56% in 10 months

Beta's death knell came when Sony introduced its first 8mm camcorder in May 1985. Though the electronics giant waged a valiant autumn promotional campaign touting Beta as the videophile's VCR, the effort has flopped.

According to MarkeTrends research, the number of households which report having bought a Beta video recorder has dropped 56% since Sony's 8mm debut last spring. In May, 9.3% of those surveyed said

that they had purchased a Beta VCR within the previous year. In this month's poll, only 4.1% report having bought Sony's format.

The magnitude of Sony's marketing missteps are evident when the number of households which say they expect to buy a Sony video cassette recorder (12.5%) is compared to the meager 5.2% which actually have bought Sony.

Historically, consumers in the MarkeTrends survey have revealed themselves as unknowledgeable about which vendor supplies Beta and which supplies VHS. The 7.3% of the VCR market which Sony could capture but does not can be attributed to the customer's realization that Sony offers only Beta.

The seeds for Beta's decline, of course, were planted well before the introduction of 8mm. In the May 1985 survey, 80% of those who already owned a Beta system said that they would buy VHS the next time around. □

Fire a buyer, hire a seller

Stanley Marcus, chairman emeritus of the Dallas-based specialty store which bears his name, said it best: "Fire a buyer, and hire a seller. . . . If a buyer got diptheria, the store wouldn't close. That would provide room in the budget: *Hire a seller.*"

What prompted Marcus' imperative in a recent issue of *International Trends in Retailing*, an Arthur Anderson & Co. publication, was not a hatred of buyers, but an exasperation with changes in the buying function which have resulted in near uniformly poor levels of service in retail outlets.

Buyers, Marcus says, have become so concerned with the procurement part of their job that the distribution half—the selling part of the job—has been left to wither due to the lack of management oversight.

"All the great retailing companies were founded by merchants who were interested in buying and selling," Marcus says. "They recognized that if you keep the relationship between buying and selling close, you have better buying and better selling. That's the key to it. The problem today is that buying and selling functions have drifted far apart."

On the selling floor, Marcus says, the result is a cadre of order takers, not sellers, and a staff which has been well trained, but which has never been educated about either the products they are supposed to sell or how they are supposed to sell them.

Marcus' words sound harsh, and they are supposed to. With service as this year's latest retailing fad, it may take a little yelling to remind the industry that retail organizations should be sales driven and service is only one means to that goal.

In an effort to improve service, The Broadway Southern California has begun to put more sales associates on the floor and to make every sales associate a commissioned employee. The moves are welcome news to any customer who has ever waited for a salesman who was both too busy and too uninterested to make a sale.

Marcus brings a more creative solution to the problem. Buying departments must rejoin selling departments. Merchandise managers and buyers, locked up in meetings behind closed doors—or worse, traveling in the Orient—are too isolated from the selling floor to exercise true management control.

In theory, department managers are supposed to fill this function, but in reality (through no fault of their own) they are too busy with paperwork to do the job. Marcus suggests the creation of selling supervisors to integrate buying and selling functions in the stores.

"Times have changed," he says, "and I'm not sure floor walkers fit in today's stores, but we need selling managers nonetheless. A selling manager is different from a sales manager. A sales manager plans promotions and so forth. A selling manager supervises the quality of selling in the stores. The store needs a floor manager with the time and the responsibility to supervise sales."

With every operational expense under intense scrutiny, how would Marcus fit selling supervisors into an already cramped budget? His answer: "If you have to fire somebody to be able to afford a selling supervisor, fire a buyer—a vice president of merchandising or someone. Hire a seller."

—*Rick Gallagher*

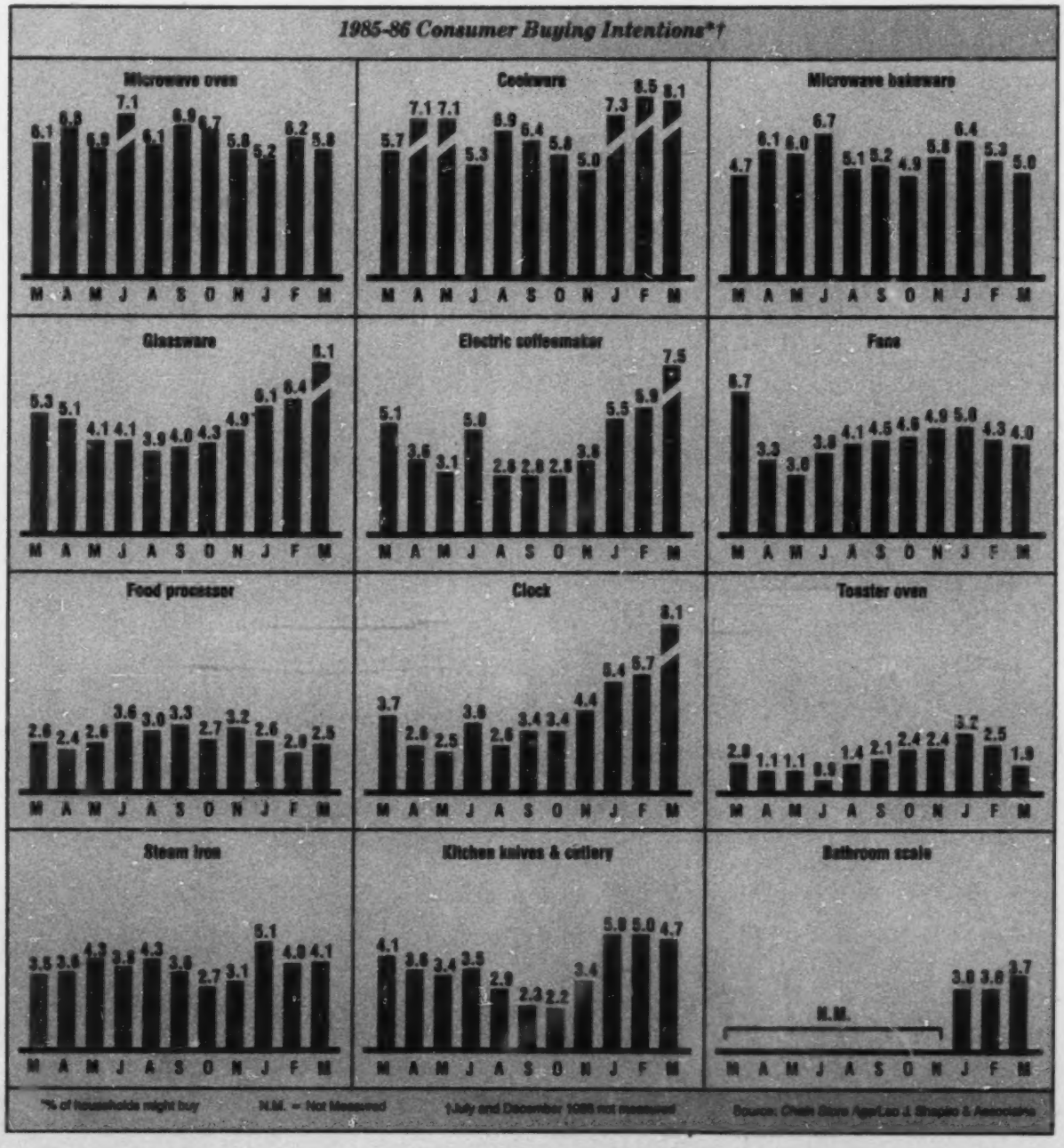
Consumers need a nudge to spend

Consumers have shown that they continue to have a high level of interest in all 12 categories tracked by MarkeTrends, but they have also demonstrated that they won't part with their shopping dollars without an extra nudge that a price promotion or product improvement can provide.

Buying intentions are equally divided between the categories, with six showing increases and six registering declines. The strongest movements, either up or down, are improvements, with three categories showing major gains: cofeemakers, glassware and clocks.

Of the six product categories in which consumer intent to buy declined, three are in categories that posted an unusual increase last month that was difficult to match this month. Interest in microwave ovens, cookware, and kitchen knives and cutlery remain as high or higher than late last year, but not high enough to match strong showings for early 1986.

A majority of the 12 key products that MarkeTrends tracks continue to reflect a healthy interest on the part of consumers. But price promotion may be the only way to loosen the consumer's purse strings. □


1985-86 Consumer Buying Intentions*†
Microwave oven
6.1 6.8 6.8 7.1 6.1 6.9 6.7 5.8 5.2 6.2 5.8
Cookware
5.7 7.1 7.1 5.3 6.9 6.4 5.8 5.0 7.3 8.5 8.1
Microwave bakeware
4.7 6.1 6.0 6.7 5.1 5.2 4.9 5.8 6.4 5.3 5.0
Glassware
5.3 5.1 4.1 4.1 3.9 4.0 4.3 4.9 6.1 6.4 8.1
Electric coffeemaker
5.1 3.5 3.1 5.0 2.6 2.8 2.8 3.8 5.5 5.9 7.5
Fans
6.7 3.3 3.0 3.8 4.1 4.5 4.6 4.9 5.0 4.3 4.0
Food processor
2.6 2.4 2.6 3.6 3.0 3.3 2.7 3.2 2.6 2.9 2.5
Clock
3.7 2.8 2.5 3.8 2.6 3.4 3.4 4.4 5.4 5.7 8.1
Toaster oven
2.0 1.1 1.1 0.9 1.4 2.1 2.4 2.4 3.2 2.5 1.9
Steam iron
3.5 3.6 4.3 3.6 4.3 3.6 2.7 3.1 5.1 4.0 4.1
Kitchen knives & cutlery
4.1 3.6 3.4 3.5 2.9 2.3 2.2 3.4 5.0 5.0 4.7
Bathroom scale
N.M.
3.0 3.6 3.7
M A M J A S O N J F M
*% of households might buy
N.M. – Not Measured
†July and December 1985 not measured
Source: Chain Store Age/Leo J. Shapiro & Associates

Microwaves getting smaller and colorful

***Microwave prices continue to drop** due to price promotions and new models.*

Seven out of 10 people, 68.8%, who bought a microwave during the past year based their decision solely on price. As prices continue to drop under $300 for microwaves, consumers are showing they are unwilling to settle for less by paying more.

MarkeTrends shows demand for microwaves has been in a cycle of minor gains and slips in consumer buying intentions since midsummer, with price promotions and new products like the Little Litton probably generating some of the sales peaks.

Through their purchases, consumers have established the pricing pattern that will work best until more sophisticated, feature-packed units at higher price points begin attracting the attention of microwave owners getting back into the market for a replacement.

There is little demand for a microwave oven above the $499 price point, and more than half of the consumers who bought a microwave during the past year say they spent between $200 and $399.

How much did you pay for your microwave?

$100-$124	2.1%
$125-$149	6.4
$150-$199	8.5
$200-$299	25.5
$300-$399	29.8
$400-$499	17.0
$500-$2,000	4.3
Other	6.4

Source: *Chain Store Age*/Leo J. Shapiro & Associates

The current direction for microwaves is toward smaller units that stress convenience and styling—and sell for under $200.

Litton and Sharp both offer small, lower-priced microwaves, but Sharp's newest move is toward colors. Beginning in the spring, the manufacturer will begin shipping its Half Pints with the trendy Miami Vice look—pastel blue, pastel yellow, pastel pink, white with pink accents, and wine red. Suggested retail for these 13-in. units is $149.

Anne Howard, marketing services manager for Sharp's appliance division, says that much of the company's confidence in the new microwave line is based on the strong sales the company generated for its boom boxes when they were offered in seven colors. □

Cookware market sizzles with diversity

Consumers are sharply divided between those willing to spend up to $99 for cookware and those who prefer to limit their spending to $10 and under.

This month's MarkeTrends survey shows consumers have clear-cut preferences in cookware when it comes to price, brand, and choice of store. For example, 1 out of 4 consumers who say they might buy cookware expect to pay between $36 and $50, and 1 out of 5 did, in fact, spend that amount.

The survey also points out that many consumers are not aware that they can find the cookware they want for $10 or less. Only a handful of consumers, less than 6%, say they expect to pay $10 or less for cookware. But when they get into the stores, nearly 1 in 3 find what they want for $10 or less and they buy it.

The pattern of responses shows that shoppers come in and out of the market and don't necessarily keep abreast of products and prices when not actively shopping.

Based on the purchases consumers reported in the survey, the buying trend is weighted toward the $36 to $99 price range, but there is also activity at the lowest price points. And with good reason. Regal Ware and Mirro fry pans with SilverStone, for example, are available in 12-in., 10-in. and 8½-in. sizes for less than $9.

Survey responses indicate support for both nonstick and regular surfaces, and shopper interest in buying individual pieces of cookware as well as sets—another indication of the diversity in the cookware marketplace.

There is nothing subtle or illusive about brand preferences. Shoppers want SilverStone and Revere Ware.

Where did you last buy cookware?

K mart	8.0%
Other discount stores	23.0
Sears	5.3
Penney	1.8
Ward	3.5
Department store	23.9
Catalog showroom	5.3
Product specialty store	7.1
Grocery store	3.5
Appliance store	4.4
Other	14.2

Source: *Chain Store Age*/Leo J. Shapiro & Associates

The two names account for 29% of all "brands" mentioned by consumers who bought cookware during the past year. Corning accounts for 12.7% of purchases, Regal for 10.9%, and Wear-Ever, Mirro and Teflon "brands" each account for 5.5% of customer purchases of those surveyed. □

Coffeemaker sales perk up nicely

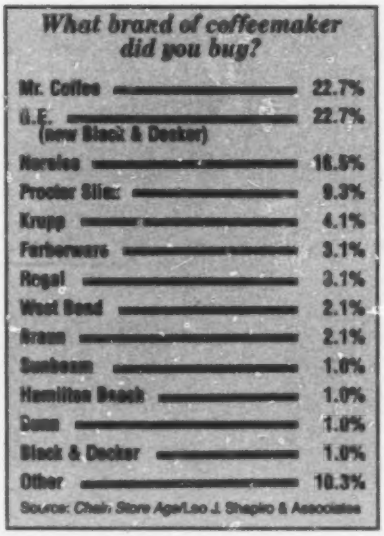
Rebate programs by manufacturers and promotional pricing by many retailers have boosted consumer interest in electric coffeemakers higher than it has been during the 15 months MarkeTrends has tracked the category.

Consumer perceptions of lower prices and better deals on coffeemakers with more features and styling are driving the market toward stronger sales. However, this spate of increased buying is certain to be short-lived and will serve to reinforce the point that the vast majority of consumers, 88.1%, like the coffeemaker they already own and won't buy another without good reason.

Vendor rebates and store promotions have quickly changed consumer expectations on coffeemaker prices. During 1985 the median price shoppers expected to pay for a coffeemaker was $33. Almost overnight, the median price has dropped to $30.

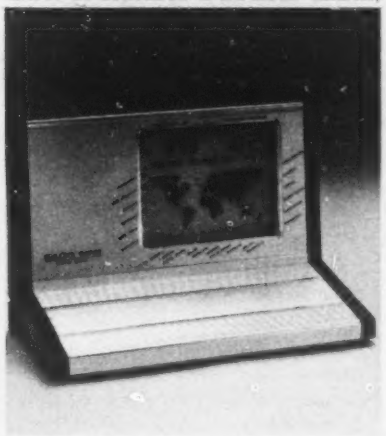
Lower prices are also changing consumer preferences for the kind of store in which they wish to shop for a coffeemaker. Department stores have made major gains as the result of their price promotions, but K mart and other discount stores still account for more than 40% of coffeemaker sales. □

What brand of coffeemaker did you buy?



Source: Chain Store Age/Leo J. Shapiro & Associates

An international time traveler clock is available from the Bulova Watch Company. This high-tech, dual mode Quartz calendar clock converts from local time anywhere in the world at the touch of a button. In its local time mode, it displays the hour, minutes, month, day and date. It features a 24-hour alarm,



and a calendar with a 20-year span. *(Bulova Watch Company Inc., Bulova Park, Flushing, N.Y. 11370.)*

Helmac Products Corp. of France, has enhanced the appeal of their line of Magik Brushes with new, bold modern packaging designed for today's fashion conscious consumers. Helmac's Magik Brush line includes: 2-Sided Magik Brush;

2-in-1 Magik Brush; Traveler Magik Brush; and the Auto Magik Brush. All Helmac products deep clean and effectively remove dust, lint, dandruff, pet hair and foreign particles from clothing and upholstery. *(Helmac Products Corp., P.O. Box 73, Flint, Mich. 48501.)*

A new survival kit comes to the dieter's rescue. Laugh off the pounds with such hilarious accessories as a magnifying glass for detecting cellulite, a mirror that is guaranteed to be slimming, a Dieter's Delight tape measure, and a bumper sticker which reads "Caution: Starving Dieter." All nine pieces are packaged in a clever gift tote, with a suggested retail price of $7.50. *(Papel Inc., 7355 Lankershim Blvd., P.O. Box 9879, North Hollywood, Calif. 91609.)*

Airwick Industries Introduces Magic Mushroom, a new generation of room air freshener that out performs all other nonaerosol products and combines an attractive mushroom-shaped package with a fragrance delivery system. Magic Mushroom lasts longer—it works

for up to five full weeks. Airwick plans a super promotional package to go along with the product for 1986. *(Airwick Industries Inc., 111 Commerce Road., Carlstadt, N.J. 07072.)*

sprockets and ginghams are 180-count, 50% cotton and sell for $19.99 for a four-piece full-sized set.

Eyelet lace white sheets of 180 threads and 35% cotton are priced at $34.99 for a full-sized set.

With that sort of upscaling under way, manufacturers apparently see no need to hurry discounters into 200s. "We are pitching 100% cotton 180s to discounters," says Mary Stafford, a vice president for Fieldcrest. "We are gaining some stores, but it's slow."

Risa Calmenson, publicity manager for Martex, makers of Lady Pepperell for the discount business, says, "I don't see it [200s] going to discount stores, but that doesn't mean it won't."

A spokesman for Burlington is concise in her prediction on the chances 200s will make a big splash soon in discount chains: "Probably not." She goes on to say that, "If they were going to go there, they would already have done it."

Some retailers have complained that no manufacturer offers a good 200-thread program for discounters. But, plenty of other avenues remain open for discounters who want to trade up, says Seidman.

"The pursuit of the labels is a challenge for discounters," he says, noting that such brands as Martex and Fieldcrest have broadened their distribution too much to justify keeping their names out of discount stores. "Business is so stagnent that mills should expand into discounters," he says.

According to Seidman, last year's sales of 30 million dozen sheets is below the levels achieved in the 1960's, despite population growth. Sales could plummet even father. "1986 looks like an extremely difficult year in terms of increasing prices," he says.

Seidman blames both the manufacturers and retailers. "The mills are just making versions of what they've made before," he says. "The buyers are selecting such ordinary, dull stuff."

He also faults discounters for imitating each other rather than getting to know the customers. "Target looks at Venture, Bradlees looks at Caldor."

These errors could result in decisions to shrink the category rather than trade up the customers. "They'll come to the conclusion that the department should be smaller, but it's really their own fault." □

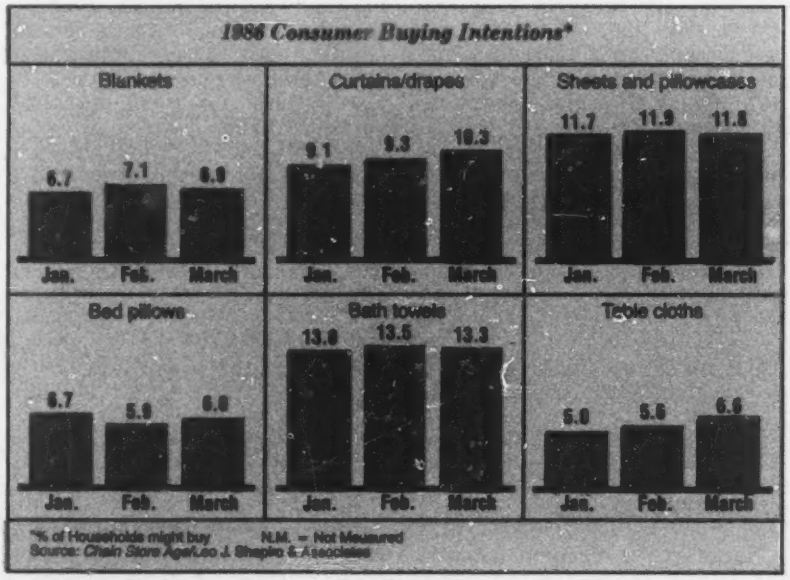
Where's the buying? In blankets

Blankets and curtains/drapes remain the hottest of home textiles products tracked by Marke Trends. For the past three months the number of people saying they plan to buy these products has nearly equaled all of those who bought last year. Since intention-to-buy normally runs at just half of actual purchases, the latest data suggests demand for blankets and curtains/drapes in the next several months will be significantly ahead of last year.

Nearly 7% of households surveyed say they plan to buy a blanket in the next 12 months, compared with 8.7% who bought last year. At the same time, 10.3% of households are in the market for curtains or drapes, compared with 11.9% who bought last year.

Bed pillows, meanwhile, are still among the most problematic of products tracked by *CSA*. Only 6% of households are in the market for pillows in the next 12 months, compared with 15% who say they bought last year.

The most active classification is sheets and pillowcases. More than one-third of the 11.8% of households which plan to buy in the next year are now out shopping for sheets and pillowcases. The active market consists of 4.1% of those surveyed. By comparison, although 6% of households say they will buy bed pillows in the next year, just 1% are now shopping for them. □



Towels: how price sensitive?

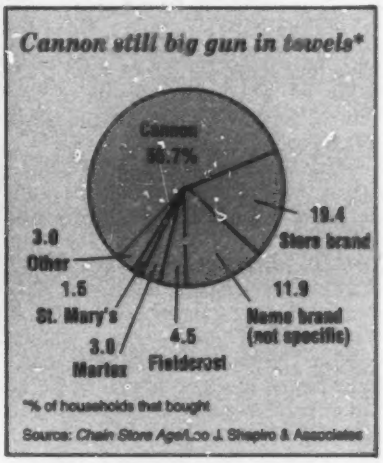
When it comes to towels, home textiles merchandisers may be giving customers what they are not asking for.

Towels, especially solids which make up the bulk of sales, have become so highly promotional that most buyers concede profits are difficult. But are the razor sharp margins something customers demand? Or is this just another case of retailers "one-upping" themselves until they have squeezed all of the profits out of a classification?

Current *Chain Store Age* MarkeTrends research suggests shoppers are not excessively price sensitive when they set out to buy towels. Less than half of those who intend to buy towels in the next 12 months say price will be the most important consideration. That makes price only as important in the buying decision for towels as it is for the five other home textiles products tracked by MarkeTrends.

But, by the time consumers get into stores and purchase a towel,

***Nearly 34% of towel buyers** made their purchases in discount dept. stores.*



they have become much more price-sensitive, according to *CSA* research. More than 62% of those who have actually bought towels in the past year say that price was the most important factor in their buying decision.

What are consumers willing to give up when they make price a more important part of the buying decision? MarkeTrends research suggests shoppers are most willing to compromise on quality. Although nearly one-quarter of those who might buy in the next year say quality is the most important element in deciding what to buy, of those who have purchased a towel recently, just 10.3% said quality was most important to them.

Market share for towels remains distributed fairly evenly among discounters, department stores and the Sears, Penney, Ward group. Nearly 34% of those who bought within the last year made their towel purchase at a discount department store; half bought at K mart. Almost 28% purchased at either Sears, Penney or Ward, with Sears controlling 18.5% of the business. And almost 29% say they bought at a department store.

Store preferences among those who say they will buy this year are fairly consistent with market shares of those who purchased in the last 12 months. Only Penney scores significantly differently among the two groups. Only 6.4% of those who did buy say they went to Penney, but 14% of those who plan to buy name Penney as their outlet of choice. □

No down can drive down pillow sales

Are discount stores missing a big opportunity because they continue to weigh their pillow assortments heavily toward synthetic fills?

MarkeTrends research suggests discounters are not doing a good enough job of converting the share of mind they have among customers into share of market. One reason may be because consumers are turning rapidly toward all-natural down pillows. In the current MarkeTrends research, in fact, 35% of those who plan to buy a pillow say they want natural fill. But the typical discount store mix still runs about 80% to 90% in favor of synthetic fills.

Discounters are clearly having trouble converting prospective customers into shoppers. While 37% of those who say they want to buy pillows plan to go to a discount store, only 28% of those who actually have bought pillows in the past year did so at a discounter.

Who is picking up this lost share? Research suggests J. C. Penney is getting some of that business as a result of its own upgrading. As early as last winter Penney moved to a 45% natural/55% synthetic offering in many stores.

Nearly 15% of those who have bought pillows in the last year say they went to Penney. That compares with just 6.2% who say they would buy at Penney.

Department stores are winners in the pillow wars. While 26.5% say they might buy at department stores, 30% actually did.

Unlike many categories, where consumers generally lower their price expectations once they start shopping for an item, shoppers have a clear idea how much they need to spend to get the pillows they want. Those who have purchased pillows in the past year say they spent an average of $21. Those who plan to buy in the next 12 months intend to spend $22.

Nearly 20% of those who intend to buy say they will spend more than $36 on towels. Only 15% of those who have bought said they paid $36 or more. Of those who did buy, 42% spent less than $10, while 53% of those who intend to purchase say they want to spend less than $10. □

Why shoppers might/did choose a store to buy pillows

	Might buy	Did buy
Price	55.7%	51.4%
Selection	16.4	13.5
Quality	14.8	10.8
Satisfaction	3.3	4.1
Location/ Convenience	8.2	12.2
Other	1.6	8.0

Source: *Chain Store Age*/Leo J. Shapiro & Associates

Autofocus: good, getting better

The autofocus camera has quickly become the most popular camera format in America. Its popularity is likely to continue growing, according to a special study of the camera market by *Chain Store Age* and Leo J. Shapiro & Associates.

The study compared consumer interest in owning autofocus cameras to interest in purchasing three other types of cameras: single lens-reflex, instants and the disc. Nearly 25% of those surveyed showed a great deal of interest in purchasing a 35mm autofocus camera. Moreover, the number of consumers who said they had no interest in the autofocus—46.9% of those surveyed—was far lower than the base of consumers who expressed no interest in buying the three other types of cameras.

On a scale of 1 to 9, with 9 being very interested, the autofocus achieved a mean rating of 3.94. That was more than a point better than the interest rating for SLRs (2.93), instants (2.45) and the disc (2.39).

While less than half of the respondents said they had no interest in owning an autofocus, 63% had no intention of purchasing an SLR, 68.4% a disc and 65.4% an instant.

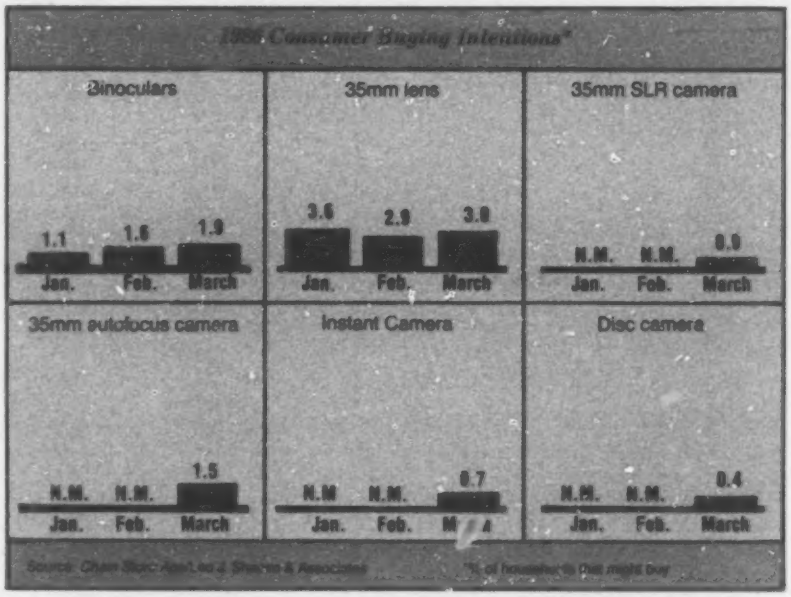
Of the four types of cameras, the autofocus showed the most strength relative to last year's sales. Exactly 2% said they bought an autofocus last year, and 1.5% say they are in the market for one this year. Generally intention-to-buy runs only half of actual purchases in such studies. A higher relationship generally means sales will be strong.

Which kind of camera is sufferir.g most from the popularity of the autofocus? The survey suggests it is the disc. While 2.3% say they bought a disc last year, just 0.4% are now in the market for one. Of the 36 products in four broad classifications tracked regularly by *CSA*, the disc's ranking is the lowest intention-to-buy figure.

Although the success of the autofocus has also hurt sales of SLRs over the last few years, that trend may now be abating. Nearly 1% of those surveyed plan to buy an SLR. While that is a small number, it compares favorably to the 1.5% which say they bought one last year.

The study also shows how quickly autofocus cameras have become mass market items. In mid-1984, when the autofocus was relatively new and price points were considerably higher, 20% of those who planned to buy an autofocus said they would go to a department store for it. Back then, camera specialty stores were the outlet of choice of nearly 50% of those who intended to buy an autofocus camera.

In the recent *CSA* study, nearly one-quarter of shoppers say they would purchase an autofocus camera at a discount store. Only 10% mention a department store as their outlet of choice, while 35% name a specialty store.



The study demonstrates how well discount stores have moved into the vacuum created by department stores in the SLR business. Slightly more than a quarter of those who might buy a SLR say they will go to a discount store for it. Two years ago, only 13.2% of potential shoppers planned to buy a SLR at a discount store.

One reason for the boost in market share is the growth of K mart as an important force in the sale of better cameras. K mart over the past two years has beefed up its selection and tested higher price points with success. In the *CSA* study two years ago, just 2.3% of those surveyed mentioned K mart as the place they might go to buy a SLR. In the most recent study, 11% said they were considering K mart as the place they will buy a SLR in the coming year.

Most of that business is centered in discount stores. Nearly 40% of those who plan to purchase will likely go to a discount store, while 13.7% will visit a catalog showroom and 9.4% a department store. Drug stores only get mentioned by 3.7% of those who may buy.

Consumer interest in instant cameras has dropped dramatically since the summer of 1984 when *CSA* did its last important study of camera buying intentions. At that time, 7.7% of consumers said they had bought an instant camera in the previous 12 months, while just 1.6% were in the market for one in the next 12 months. In the current survey, only 0.7% say they are looking to buy an instant camera.

Discount stores are clear winners in the market share battle for disc cameras. More than 37% of consumers say they would go to a discount store for a disc with about half of that number mentioning K mart as the outlet of choice. Product specialty stores garnered 17.9% of mentions as the outlet of choice for disc cameras, while catalog showrooms are outlets selected by 13.5% of those rated as potential buyers.

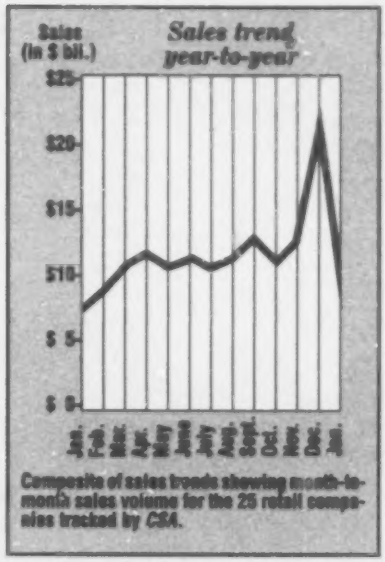
Slightly more than 40% of those surveyed said they want to spend between $25 and $50 for a disc camera, while 32.2% said they intend to pay anywhere from $51 to $75 if they buy a disc. □

Silver linings in dark sales clouds

Hampered by high debt levels, consumers spent frugally in January. Total sales for 25 retailers tracked by *Chain Store Age* grew just 5.1% during the month.

Some retailers were quick to point out, however, that flat sales were due at least in part to a shorter reporting period in this year. On a comparable basis with last year's reporting period, sales gains were generally modest.

With the lesson of Christmas, 1984, fresh in everyone's minds, retailers were better prepared for the sales slowdown that occurred after this holiday season. Many chains reported that despite soft sales, gross margins did not suffer and earnings



Composite of sales trends showing month-to-month sales volume for the 25 retail companies tracked by CSA.

should not be off greatly.

"Much better controls were maintained this year and it was unnecessary to liquidate inventories through excessive markdowns," said K mart chairman Ben Fauber.

Sales in K mart stores decreased 1.7% even as total corporate sales increased 1.5% because of gains in specialty stores. Despite the comparable store sales decrease in K mart units, Fauber was optimistic about the chain's performance because of a 5.8% rise in apparel sales. That gain reflected "the merchandising improvements being made in that division."

Specialty stores also helped drive sales of F. W. Woolworth. "Business was particularly strong in Kinney's Foot Locker and Lady Foot Locker units and exceeded expectations in U.S. Woolworth stores," said chairman John Lynn.

Domestic sales for Woolworth increased 6.4%.

Other retailers were less pleased with their results. Sears attributed 0.2% rise in sales to average temperatures which were 17° above those recorded last year across the nation. That warmer weather hurt Sears apparel sales, the company said.

At Dayton Hudson a 12% decrease in department stores sales kept total corporate volume growing at only a 13% rate over last year. Target's sales bounded ahead 17% in the period, while Mervyn's were ahead 20%.

Sales Modest For Short Month

Major chains	% change	Jan. Sales* 1986	Jan. Sales* 1985	Stores 1986	Stores 1985	12-mo. sales* 1986	12-mo. sales* 1985	% change
Sears[1,4]	− 0.4	1,549,400	1,554,800	799	871	25,371,100	25,260,700	+ 0.4
Penney[1]	+ 3.5	683,000	660,000	1,911	1,994	12,648,000	12,359,000	+ 2.3
Ward[1,4]	− 6.5	237,800	251,900	314	366	4,338,700	4,461,200	− 2.7
Federated[1,4]	− 13.0	449,800	515,900	485	463	8,148,400	7,812,100	+ 4.3
Dayton Hudson	+ 13.0	488,200	433,400	1,208	1,137	8,581,000	7,671,000	+ 12.0
May Dept. Stores	+ 9.0	259,100	237,700	2,074	1,853	5,021,600	4,592,200	+ 9.5
R. H. Macy	− 13.0	201,200	232,200	83	96	4,487,400	4,248,600	+ 5.6
Allied Stores	+ 7.2	208,500	194,500	664	597	4,135,400	3,930,300	+ 5.2
Carter Hawley Hale[4]	+ 7.4	224,100	209,700	299	268	3,980,000	3,680,000	+ 8.1
Associated Dry Goods	− 12.0	222,900	253,700	N/A	N/A	4,321,000	4,003,000	+ 7.9
Mercantile	+ 16.0	96,000	83,100	80	79	1,878,300	1,706,900	+ 10.0
K mart[5]	+ 5.3	1,200,100	1,139,200	2,180	2,173	21,533,100	20,102,300	+ 7.1
Woolworth	+ 4.8	210,000	201,000	N/A	N/A	3,668,000	3,448,000	+ 6.4
Wal-Mart	+ 43.0	606,000	425,000	862	756	8,450,000	6,401,000	+ 32.0
Household Merch.[2,3,5]	− 16.6	22,193	26,605	N/A	3,633	523,146	475,406	+ 10.0
Zayre[2]	+ 16.0	171,100	147,100	987	847	3,792,000	3,125,400	+ 21.0
Bradlees	+ 3.0	81,000	79,000	158	132	1,618,000	1,404,000	+ 15.0
Ames	+ 127.0	78,500	34,600	450	383	1,499,600	811,200	+ 85.0
Rose's	− 0.8	50,501	50,892	204	193	1,005,233	927,395	+ 4.3
Heck's	+ 22.8	29,100	23,700	165	125	530,500	465,700	+ 13.9
Jamesway	− 17.0	22,193	26,605	91	85	523,146	475,406	+ 10.0
Melville[1]	+ 6.8	236,800	221,600	5,569	5,370	813,124	693,339	+ 17.2
Tandy	+ 13.0	268,240	235,678	N/A	N/A	3,146,691	2,776,080	+ 13.4
Edison Bros.	+ 13.9	55,600	48,800	N/A	N/A	801,900	770,200	+ 4.1
The Gap	+ 36.4	43,500	31,900	611	624	671,900	527,500	+ 27.4
Total & Averages	+ 5.1	7,694,827	7,317,480			131,497,240	120,723,926	+ 8.9

*000 omitted. N/A = not available.
[1]Store number for full-line outlets only. [2]Includes 337 Zayre stores. [3]Excludes supermarket sales. [4]Includes results from Sears Canada. [5]Store count is for K mart stores only. [6]Continuing operations only. [7]Domestic operations only.

ADVERTISERS' INDEX

Alco Products. 67
Allen Pen Co. 51
Amity Leather Products Co. 40
Bostitch 60
Canon Camera 8
Clairson International. 30
Clopay Corporation . . . . . 2nd Cover
Code-A-Phone. 20
Cotter & Co. V&S 54
Crisa 68
Eastman Kodak Co. 57, 59
Gund Inc. 48
Joanna Western. 34, 35
Jonee. 15
LucasFilm, Limited. 47
Mattel Inc. (Licensing) 52, 53
Michael Anthony Jewelers. 44
National Housewares Mfrs. Assn. 39
Sanford Corporation 17
TDK Electronics/T Video 6
Transworld Exhibits 19
3M Video Consumer 4, 25, 27, 29

This index has been compiled for the convenience of our advertisers and readers. While every precaution is taken to prevent mistakes, the publishers cannot be held responsible for errors or omissions.